

State Notes

TOPICS OF LEGISLATIVE INTEREST

March/April 2003



Motorcycle Safety Education and Off-Road Vehicle Safety Programs **By Kathryn Summers-Coty, Fiscal Analyst**

The Governor's recommended budget for fiscal year (FY) 2003-04 proposes to eliminate the Motorcycle Safety Education and Off-Road Vehicle (ORV) Safety programs. These programs are currently run by the Michigan Department of Education, and are funded with restricted revenues from vehicle registration and operator license fees. Below are descriptions of both programs, statistics on students served, and a discussion of implications for the future.

Motorcycle Safety Education Program

Before the State issues a motorcycle endorsement on a driver's license, motorcycle safety education is required under the Michigan Vehicle Code (MCL 257.312b) for people less than 18 years of age, or for people 18 or older who have failed a motorcycle driving test twice or more. The safety education courses are subsidized with grants awarded by the Department of Education. These grant dollars are generated by motorcycle operator license fees and motorcycle license plate registration fees.

Annual registration fees for motorcycles are \$26, of which \$3 is earmarked to the Motorcycle Safety Fund. Original operator endorsement fees are \$13.50 and renewals are \$5, of which \$10 and \$3 respectively are earmarked to the Motorcycle Safety Fund. In FY 2001-02, registration fees generated \$575,055, and license fees generated \$591,260, for combined revenues of \$1,166,316 available for grants and administration of the program.

Public instructional providers, such as colleges, universities, intermediate school districts, local school districts, law enforcement agencies, and other governmental agencies, are allowed by law to charge up to \$25 in tuition fees to further cover the administration and implementation of the program. (Private providers are not subject to the \$25 cap on tuition.) In actual practice, the \$25 fee is charged to all students. Table 1 below illustrates the public providers; grant awards and pupils served in 2002; and students served in the last three fiscal years.

Off-Road Vehicle Safety Training

Similar to the motorcycle endorsement requirement, the law requires a person less than 16 years of age, before operating an ORV or All-Terrain Vehicle (ATV), to complete a safety education course approved by the Department of Education (Natural Resources and Environmental Protection Act, MCL 324.81130). Public providers of ORV safety education courses may apply to the Department for grants to subsidize the costs of the program, and also may charge up to \$25 (or the cost of one credit hour, in the case of higher educational institutions) for administration and implementation of the course. Private providers are restricted to charging not more than the cost of conducting the course.

The Safety Education Fund is established in MCL 324.81118, and receives \$1 from each ORV registration fee of \$16.25, renewed on a yearly basis. From this restricted revenue, grants are allocated to public providers. In the 2001-02 fiscal year, \$162,037 was generated. Table 2 below illustrates the public and private providers; grant awards and pupils served in 2002; and students served in the last three fiscal years.

State Notes
TOPICS OF LEGISLATIVE INTEREST

March/April 2003



Table 1

Motorcycle Safety Program			
Instructional Agency	Grant Award 2002	Pupils Served 2002	Total Students Served 2000-2002
Allegan County Intermediate School District	\$108,283	752	1,042
Davenport University	79,778	220	220
Delta College	44,958	386	1,136
Ferris State University	127,663	628	1,653
Flint Public Schools	30,289	183	954
Iosco Regional Educational Service Agency	52,794	141	141
Ithaca Public Schools	10,408	78	200
Lapeer County Sheriff Department	6,935	72	192
Lenawee Intermediate School District	12,338	134	319
Northern Michigan University	74,845	300	872
Otsego County Sheriff Department	49,324	215	621
Schoolcraft Community College	397,893	3,737	10,188
Washtenaw Community College	83,544	847	2,342
White Pigeon Schools	25,193	227	348
TOTAL	\$1,104,243	7,920	20,657

Table 2

ORV Safety Program			
Instructional Agency	Grant Award 2002	Pupils Served 2002	Total Students Served 2000-2002
ATV			
Chippewa County Sheriff Department	\$12,156	35	77
Clare County Sheriff Department	1,352	10	10
Iosco Regional Educational Service Agency . . .	8,500	60	91
Mecosta County Sheriff Department	1,997	7	40
MATVA (Michigan ATV Association)	34,365	367	510
Wayne County Community College	17,544	72	72
West Iron County Public Schools	16,650	492	1,032
Total	\$92,564	1,043	1,832
ORV			
Cycle Conservation Club	\$70,705	784	1,836
Ferris State University	3,677	21	114
Luce County Sheriff Department (supplies only)	5,190	0	0
Total	\$79,572	805	1,950

State Notes
TOPICS OF LEGISLATIVE INTEREST

March/April 2003



For the Future

As mentioned above, the Governor has proposed eliminating both safety programs from the Department of Education's budget beginning in FY 2003-04. According to the *Fiscal Year 2004 Executive Budget* write-up, the elimination is "part of an effort to focus limited state staff resources on core missions ... the department's core focus is providing educational services to children", not providing grants to subsidize safety-training courses for individuals interested in operating motorcycles and off-road vehicles.

The Governor further would eliminate the fees that, to date, have supported these programs, but would retain the safety education requirements. This would have the effect of passing along the full cost of training to individuals seeking operator endorsements for motorcycles and legal use of ORVs, while reducing the registration and license fees. Though individuals would see increased costs initially (due to paying the entire cost of training, rather than \$25 as is currently the case), over time, costs to those people would decrease due to the absence of yearly fees for renewals on registrations and licenses.

If the Governor's proposed elimination of the programs occurs, a question remains on the use of fees collected in the current fiscal year that are not spent by September 30, 2003. Would this restricted revenue be transferred into the General Fund, if doing so were allowable? Or, would motorcycle and/or ORV safety grants be provided to the extent of the leftover funds, for limited use in FY 2003-04? At this time, the Department of Education is working with the Department of State to determine their stance on this issue.